



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

October 9, 2008

Mr. Allen Lyda
Vice President, Finance/CFO
Tejon Ranch
4436 Lebec Road
Lebec, CA 93243

Dear Mr. Lyda:

RE: FINAL MONITORING VISIT REPORT for Tejon Ranch – ET06-0249

Date of the Visit:	09/09/08 and 10/09/08
Beginning/Ending Time:	10:00 a.m. – 1:00 p.m.
Date of Last Visit:	09/09/08
Visit Location:	Lebec
Persons in attendance:	Jorge Rodriguez, Director Human Resources, Tejon Ranch Nancy Olvera, Project Assistant, Tejon Ranch Maggie Menzel, Training Funding Source Elsa Wadzinski, ETP Contract Analyst
Action Required:	No

Term of Agreement:	06/30/06 – 06/29/08	Agreement Amount:	\$233,740
Training Start Date:	07/10/06	No. to Retain:	124
Date Training must be Completed:	03/28/08	Range of Hours:	24 - 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	145

The Final Monitoring visit was originally scheduled on September 9, 2008, but the Analyst was unable to validate training listed on the ETP On-Line Tracking System due to missing rosters, missing signatures on rosters and duplicate training entries. Project staff advised the Analyst that the training recorded on the ETP On-Line Tracking System was taken directly from ETP eligible rosters and indicated that the rosters may have been misplaced as project staff for this contract has changed several times during the course of this Agreement.

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After providing technical assistance and advising project staff all original training rosters need to be present for review and how the training data should be presented so an Analyst can validate training, project staff agreed to go through the training records to insure the information on the ETP On-Line Tracking System is accurate, so the Analyst could return and conduct the Final Monitoring Visit. Ms. Wadzinski rescheduled the Final Visit for October 9, 2008.

FINAL REPORT SUMMARY:

The Agreement was executed on March 14, 2006 and training began on July 10, 2006. Your project staff reported that all ETP training was completed on March 27, 2008, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – June 29, 2008. There were no revision requests during the term of the Agreement.

A revision request to add five months to the beginning and end of the term of the Agreement, revising the term from February 7, 2006 through February 6, 2008 to June 30, 2006 through June 29, 2008, was approved and executed on October 3, 2006.

According to Ms. Menzel, of the estimated 124 trainees specified on Chart 1, Exhibit A of the Agreement, 48 trainees (39%) have completed the minimum number of training hours required (24 hours) for reimbursement and completed the 90-day retention period. The total hours provided to trainees who met the required minimum in Job 1 are 1,180 (of which 25 hours are for Advanced Technology) and 1,100 in Job 2. At a reimbursement rate of \$13 per hour for Class/Lab and \$20 an hour for Advanced Technology, Tejon Ranch would earn approximately \$29,815 (13%) of the total ETP Agreement amount, assuming all other Agreement requirements are met. Since you have been paid \$28,428.70 to date, you will receive an additional \$1,386.40, in funding if the anticipated number to retain is verified during the final fiscal closeout. The Analyst commented that these amounts are subject to change based pending revisions listed on page 3 of the report, under Attendance Rosters.

Mr. Rodriguez stated that although you did not complete 100 percent of the training, Tejon Ranch has been able to provide its employees with training in Continuous Improvement, Computer Skills, Business Skills, Literacy Skills and Advanced Technology that he believes is has helped their employees gain skills needed to increase performance and work together more cohesively in a teamwork environment. Finally, he indicated that the new skills make employees more valuable to the company and increases retention.

In discussing what barriers you experienced in implementing your ETP program, project staff stated that the training plan submitted was overly aggressive for the nature of this business, and the change in staff that initiated the Agreement and was to oversee the contract, made it difficult to implement the training plan originally submitted.

In discussing the ETP record keeping, you indicated that your administration was provided by a third-party, and you reported that in getting familiar with ETP's websites, you find them user-friendly. It was also stated that the ETP staff provided good support throughout the Agreement. In closing, Mr. Rodriguez stated that Tejon Ranch may be interested in returning to ETP for another contract in the near future to complete the training plan originally submitted.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Job Number	Number to Retain	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed Minimum Hours	Number of Trainees Completed	Number of Trainees Completed Retention
1	95	139	100	31	31	31
2	29	20	2	18	17	17
Totals:	124	159	102	49	48	48

ATTENDANCE ROSTERS/INVOICES:

The Analyst reviewed class/lab attendance rosters for 23 Job trainees listed on Invoice 3 for Progress Payment 2 (completion of training). The review sample consisted of records for training completed during the period July 10, 2006 through March 27, 2008. During this review, the Analyst found that the maximum training hours allowed for Literacy Skills was exceeded for trainees [Redacted], [Redacted] and [Redacted]. Project staff agreed to delete the excess Literacy Skills hours, which will bring trainee [Redacted] below the minimum number of trainee hours required, requiring him to be dropped.

The Analyst advised project staff that since Progress Payment 2 had already been submitted for these trainees, they will need to provide her with the names, last four digits of the trainee's social security number and required tracking revisions, so Ms. Wadzinski can contact the Fiscal Unit to correct the trainee's information in the ETP Tracking System.

AUDIT:

Tejon Ranch will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Elsa Wadzinski at (818) 755-3634 or by email at ewadzinski@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Dolores Kendrick, Manager
North Hollywood Regional Office

Elsa Wadzinski, Contract Analyst
North Hollywood, Regional Office

cc: Jorge Rodriguez, Director Human Resources (via E-Mail)
Tejon Ranch

Nancy Olvera, Project Assistant (via E-mail)
Tejon Ranch

Maggie Menzel, Training Administrator (via E-mail)
Training Funding Source

David Guzman, Chief, Program Operations Division
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor _____